

HARGROVE, SMELLEY & STRICKLAND

JOSEPH L. HARGROVE, JR.
DAVID L. SMELLEY
PAUL A. STRICKLAND
GLENN L. LANGLEY
LOUISE F. PEARCE
JONATHAN R. RABURN

(A PROFESSIONAL LAW CORPORATION)
AMERICAN TOWER, SUITE 600
401 MARKET STREET
SHREVEPORT, LOUISIANA 71101-3239

THOMAS J. WYATT (1942-1996)

MAILING ADDRESS
POST OFFICE BOX 59
SHREVEPORT, LOUISIANA 71161-0059
TELEPHONE (318) 429-7200
TELECOPIER (318) 429-7201

OF COUNSEL
WILLIAM G. CONLY

June 24, 2005

Honorable James H. Welsh
Commissioner of Conservation
State of Louisiana
Post Office Box 44275
Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING

Discorbis 15 Sand, Reservoirs A, B and C, BAYOU
POSTILLION FIELD, Iberia Parish, Louisiana.

Dear Sir:

SANDALWOOD EXPLORATION, L.P. ("Applicant"), hereby respectfully applies for a public hearing to consider evidence relative to the issuance of Orders pertaining to the following matters relating to the Discorbis 15 Sand, Reservoirs A, B and C, all in the Bayou Postillion Field, Iberia Parish, Louisiana:

Discorbis 15 Sand, Reservoir A

1. To dissolve the unit created by Office of Conservation Order No. 386-Y, effective October 5, 2004, and designated DISC 15 RA SUA, and simultaneously therewith to create two (2) drilling and production units for the exploration for and production of gas and condensate from the Discorbis 15 Sand, Reservoir A, said units being shown on the attached plat and being designated DISC 15 RA SUA and DISC 15 RA SUB.
2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within each of the proposed units in accordance with Section 10, Title 30, of the Louisiana Revised Statutes of 1950, with each separate tract sharing in unit production on a surface acreage basis of participation.
3. To designate Sandalwood Exploration, L.P., as operator of, and its Cotten Land Corp. et al. No. 1 Well, located as shown on the attached plat, as the unit well for, DISC 15 RA SUB.
4. To designate Century Exploration Company as operator of, and its Herold Hodges & Lee No. 1 (ST) Well, located as shown on the attached plat, as the unit well for, DISC 15 RA SUA.
5. To further define the Discorbis 15 Sand as that gas and condensate bearing interval encountered between the measured depths of 13,435 feet and 13,592 feet (13,145 feet and 13,287

feet TVD), in the Century Exploration Company--Herald Hodges & Lee No. 1 (ST) Well, located in Section 23, Township 12 South, Range 11 East, Iberia Parish, Louisiana.

6. To extend, except as in conflict herewith, the pertinent provisions of Office of Conservation Order No. 386-Y, effective October 5, 2004, to the proposed units.

7. To consider such other matters as may be pertinent to this sand and reservoir.

Discorbis 15 Sand, Reservoirs B and C

1. To establish rules and regulations governing the exploration for and production of gas and condensate from the Discorbis 15 Sand, Reservoirs B and C.

2. To create two (2) drilling and production units for the Discorbis 15 Sand, Reservoir B, and two (2) drilling and production units for the Discorbis 15 Sand, Reservoir C, such units being shown on the attached plat and being designated DISC 15 RB SUA, DISC 15 RB SUB, DISC 15 RC SUA and DISC 15 RC SUB.

3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within each of the proposed units in accordance with Section 10, Title 30, of the Louisiana Revised Statutes of 1950, with each separate tract sharing in unit production on a surface acreage basis of participation.

4. To provide that future wells drilled to the Discorbis 15 Sand, Reservoirs B and C, within or outside of the proposed units, be located in accordance with the provisions of LAC 43:XIX.1901 et seq. (Statewide Order No. 29-E).

5. To provide that the Commissioner of Conservation may reclassify either of these reservoirs by Supplemental Order and without the necessity of a public hearing should any such reclassification be warranted based on evidence furnished to the Commissioner.

6. To consider such other matters as may be pertinent to these reservoirs.

The Discorbis 15 Sand in the Bayou Postillion Field, Iberia Parish, Louisiana, is currently defined in Office of Conservation Order No. 386-Y, effective October 5, 2004.

Pertinent data concerning this application is available for inspection at the offices of Leon E. Comeaux & Associates, 305 La Rue France, Lafayette, Louisiana 70505. Any person wishing to inspect such data should call Mr. Bill McAlister at (337) 233-9839 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data which is not otherwise available from the records of the Louisiana Office of Conservation can be obtained from Applicant at the expense of the requesting party.

Honorable James H. Welsh
June 24, 2005
Page 3

Applicant has heretofore received from you a waiver of the pre-application notice requirements and Rule 3 of the Revised Rules of Procedure effective October 11, 1983; and, therefore, Applicant has not considered such requirements applicable.

Pursuant to the Revised Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of the unit plat is enclosed herewith and a copy of this letter and of the attached plat is being sent to the District Manager of the Lafayette District of the Office of Conservation and to the Interested Owners, Represented Parties and Interested Parties as shown on the attached list. If any of these parties desire to confer with Applicant concerning these proposals, they are hereby notified that a conference will be held at 10:30 A.M. on July 11, 2005, at the Lafayette Petroleum Club, 111 Heymann Boulevard, Lafayette, Louisiana. THERE IS NO REQUIREMENT THAT ANY PERSON RECEIVING THIS LETTER ATTEND THIS CONFERENCE. This is merely an invitation to attend and participate if you so desire.

Applicant will provide for posting of a copy of the Legal Notice of this hearing and the enclosed plat at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Bayou Postillion Field, all in accordance with the Revised Rules of Procedure. Furthermore, a copy of the Legal Notice will be mailed to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

Finally, we enclose our check payable to the Commissioner of Conservation for the application fee.

Yours very truly,



David L. Smelley

-- Attorney for Sandalwood Exploration, L.P.

DLS:dp

Enclosures

cc: Mr. Richard Hudson (w/encls.)
Mr. Bill McAlister (w/encls.)
Interested Owners, Represented Parties
and Interested Parties (w/plat only)

